

Committee(s):	Date(s):
Licensing Committee	6 May 2015
Subject: Late Night Levy – Six monthly report	Public
Report of: Director Markets and Consumer Protection	For Information
<p><u>Summary</u></p> <p>A Late Night Levy has been operating within the City of London since 1 October 2014.</p> <p>This report details the number of premises that are paying the Levy, the likely income from collecting the Levy and how that money is to be spent.</p> <p>Recommendations</p> <p>Members are invited to note the contents of this report.</p>	

Main Report

Background

1. The Police Reform and Social Responsibility Act 2011 introduced the power for licensing authorities to impose a Late Night Levy on those premises selling alcohol after midnight. The aim of the levy is to empower local areas to charge businesses that supply alcohol late into the night for the extra costs that the night-time economy generates for police and licensing authorities.
2. On the 28 April 2014 this Committee considered a report on the introduction of such a Levy within the City of London and recommended to the Court of Common Council on 12 June 2014 that the Levy be adopted. The Levy was adopted and introduced within the City from 1 October 2014.
3. This Committee asked that the levy be reviewed after a period of six months from its introduction and thereafter at yearly intervals. A statutory report has to be produced at the end of each year the Levy is in operation and it is therefore intended that the statutory report be combined with the Committee Report in October of each year.
4. The Levy was applied to all premises selling alcohol after midnight between the hours of 00:01 and 06:00. Premises selling alcohol after midnight due

solely to a condition permitting them to sell on New Year's Eve would still be liable to pay the Levy.

- It was forecast in April 2014 that the levy would raise approximately £220k of which £155k would be paid to the City of London Police (the statutory minimum) and £65k retained by the City Corporation.

The Levy in practice

- The amount of the levy is prescribed nationally and is based on the premises rateable value. The annual charges for the levy, and weekly equivalent, are:

Rateable Value (£)	Rateable Band	Amount of Levy (£)	
		Annual Levy	Weekly Equivalent
0 – 4,300	A	299	5.75
4,301 – 33,000	B	768	14.77
33,301 – 87,000	C	1,259	24.21
87,001 – 125,000	D	1,365 (2,730*)	26.25 (52.50*)
125,001 +	E	1,493 (4,440*)	28.71 (85.39*)

* Where a multiplier applies for premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)

- Premises pay their levy when their annual licence fee becomes due. Any non-payment of the levy by the due date must result in the suspension of a premises licence or club premises certificate until payment has been made. No premises is currently suspended due to non-payment of the Levy.
- The original forecast was based on approximately one third of premises submitting variations to bring them outside of the Levy period. Prior to 1 October 2014, 293 premises were permitted to sell alcohol after midnight. To date, only 64 premises have submitted variations to reduce their hours i.e. 24 less than forecast.
- Premises can also obtain a 30% reduction in their Levy payments if they meet the required standard of the City of London's Safety Thirst Scheme. It was expected that the majority of those premises liable to pay the Levy would meet the standard and obtain the discount. Only 26 of the 229 liable premises have applied for, and met the standard.
- The original forecast did not take into account the number of premises that were liable to pay the Levy solely because they retained a condition that permitted them to sell alcohol after midnight, albeit on only one day per year. This was due primarily to the fact that the information was not readily available from the licensing team's database but also, because it was assumed that most premises in this situation would submit a variation to remove the condition.

11. However, it would appear likely that by the end of September 2015 as many as 60 premises will not have removed such a condition and thus remain liable to pay the Levy.

Current Forecast

12. To date the following amount has been collected from Levy payments:

Month	Amount Collected	Number of Premises
October	28,356	15
November	53,586	30
December	20,014	17
January	19,816	14
February	9,621	8
March	13,203	9
TOTAL	£144,596	93

13. It is forecast that the following amount will now be collected during the next six months:

Month	Amount Collected	Number of Premises
April	12,500	10
May	18,750	15
June	15,000	12
July	17,500	14
August	50,000	36
September	160,000	105
TOTAL	£273,750	192

14. The total amount that is expected to be collected within the first Levy year is approximately £415k. The City Corporation is able to retain the costs of administering the levy which has been calculated to be £15k per year. The remaining income is then divided between the City of London Police, who receive 70% (£280,000), and the City Corporation, who retain the remaining 30% (£120,000).
15. To forecast levy income for future years is extremely difficult due to the factors referred to above and how particular premises will react to the Safety Thirst Scheme and the removal of the conditions which make some of them liable. A better estimate can be made in October 2015 but, for now, all that can be said is that income will almost certainly be less than the current year but still significantly greater than was first envisaged in April 2014.

How is the Levy to be spent?

16. Full details of how the Levy is to be spent have not been finalised but will be made available after October 2015 in a report to your Committee when the Levy has been in operation for twelve months. An indication of where the Levy is currently being used is set out below in paragraphs 17-20.
17. The City of London Police are not bound by any restrictions as to how their portion of the money is to be spent. In the introduction of the Levy by the City it was recognised, at your Committee, that it was expected that this would only fund additional work related to policing of the Night Time Economy. Since the Late Night Levy was introduced in October 2014 City Police have undertaken a number of proactive operations in addition to education of our licensees, these proactive operations have included;
 - Crime Squad (plain clothes) deployment in support of reducing bag/mobile phone/laptop thefts from licensed premises during the late night levy hours.
 - Three Community policing operations have taken place since October in order to reduce violent crime and anti-social behaviour; these operations have specifically focused on city workers pay days where historically the City has seen a spike in violent crime and anti-social behaviour.
 - Deployment of officers in support of intelligence and operational need. This involves saturation patrols undertaken by public order trained officers in certain areas of the City where intelligence dictates those areas have been problematic or violent crime/anti-social behaviour have been committed.
 - 2014 Christmas operation where officers visited a number of licensed premises on the lead up to Christmas and the New Year providing a level of reassurance to management and door staff at their premises and receiving information from them with regards to customer behaviour.
 - Licensing Forum introduced and attended by Licensing Managers. The forum was designed to provide operational advice from departments within the City of London Police to Licensees on what to do when crime is committed, how to prevent their customers from becoming victims of crime and what to do if they suspect a crime is taking place on their premises.
 - Conference arranged for licensees to attend to raise their awareness with regards to 'under age' sale of alcohol.
18. In order to meet the challenges of a thriving night time economy, the City of London Police Licensing Team will strengthen its capability with additional staff. The City Police will look to further its partnership working with the

London Fire Brigade/Security Industry Association and Trading Standards, collectively to engage/detect and promote good practice.

19. The City Corporation is however are required to spend its allocation in specific areas namely:

- The reduction or prevention of crime and disorder
- The promotion of public safety
- The reduction or prevention of public nuisance
- The cleaning of any highway maintainable at the public expense within the City of London (other than a trunk road) or any land to which the public are entitled or permitted to have access with or without payment and which is open to the air

20. Although details of how the Levy is to be spent by the City Corporation have yet to be finalised, it is likely that some of the first year's money will be spent in the following areas:

- Funding a post to operate the Code of Practice, Risk Assessment and Safety Thirst schemes. The post holder would work closely with all licensed premises in an advisory capacity in order that they have the best possible chance of promoting the licensing objectives.
- To fund a team of officers to work during the period midnight to 06:00 a.m. Officers would be able to respond speedily to complaints from members of the public where they are being disturbed by excessive noise. This will allow officers to see the problems as they are occurring and take the appropriate action. In the majority of cases this would involve working in partnership with the licensed premises in question to alleviate problem areas.
- To provide a late night cleansing team dealing with the effects of anti-social behaviour. This work will include visiting premises/areas identified as being an issue, flushing various streets and subways as necessary, removal of fliers and other anti-social behaviour related litter and cleaning/flushing station frontages on Sunday evenings. This service will provide a positive effect on the cleanliness and image of the City of London.

Implications

21. Any money retained by the City Corporation from the Levy income has to be spent on the areas referred to in paragraph 19. A statutory report detailing how the Local Authority spent its portion of the Levy has to be produced at the end of each Levy year.

Background Papers:

Report to Licensing Committee 28 April 2014: 'Late Night Levy Consultation'.

Appendices:

None

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